

CHAPTER 172.

IN RELATION TO RAILROAD COMPANIES, LESSEES, ETC.

APRIL 8. AN ACT to Amend an Act entitled, An Act in Relation to the Duties of Railroad Companies, approved April 8th, 1862.

SECTION 1. *Be it enacted by the General Assembly of the State of Iowa,* That all the duties and liabilities imposed upon railroad companies, by chapter 169 of the laws of the 9th General Assembly, shall apply equally to all lessees of any railroad company operating the same within this State, as fully as if such lessees were named therein.

Suits against company, lessees, &c, may commence in any county thro' which road passes. Sufficient service. SEC. 2. In all cases of suits against any railroad company, lessees, corporation, or individuals, operating any railroad, for damages claimed either to person or property, the same may be instituted in any county through which the road of said company passes, and service made upon any station or ticket-agent of said company or lessees, transacting business of said company or lessees, shall be deemed sufficient service upon the principal.

Taking effect. SEC. 3. This act, being deemed of immediate importance, shall take effect and be in force from and after its publication in *The Iowa Evening Statesman*, newspaper published at Des Moines, and the daily Constitution, newspaper published at Keokuk, Iowa.

Approved April 8, 1868.

I hereby certify that the foregoing act was published in *The Constitution* April 16, 1868, and in *The Iowa Evening Statesman* April 17, 1868.

ED WRIGHT, *Secretary of State.*

CHAPTER 173.

LIFE INSURANCE LAW.

APRIL 8. AN ACT to Regulate Life Insurance Companies.

SECTION 1. *Be it enacted by the General Assembly of the State of Iowa,* That every company formed for the purpose of assuring the lives of individuals, whether organized under the laws of this State or of any other State, or foreign country, shall, before issuing

any policies on lives within this State, comply with the conditions and restrictions of this act.

SEC. 2. Joint-stock companies organized under the laws of this State shall have not less than one hundred thousand dollars of capital stock subscribed, twenty-five per cent. of which shall be paid up and invested in United States stocks, or of this State, or in bonds and mortgages upon unencumbered real estate in the State of Iowa, worth, exclusive of improvements, at least double the sum loaned thereon, which said securities shall be deposited with the Auditor of State, and upon said deposit and satisfactory evidence to the Auditor that the capital stock is all subscribed in good faith, he shall issue to said company the certificate hereinafter provided for: *Provided*, No part of the twenty-five per cent. aforesaid shall be loaned to any stockholder or officer of the company; the remainder of such stock shall be paid in such time as the directors or trustees of the company may direct, and the same shall be secured by the notes of the stockholders of said company. And no note shall be accepted as part of such capital stock unless the same shall be accompanied by a certificate of a justice of the peace, notary public, or clerk of the district court of the county in which the person executing such note shall reside, that the person making the same is, in his opinion, pecuniarily good and responsible for the same in property not exempt from execution by the laws of this State.

Home insurance companies.

Stock companies to have \$100,000 capital.

25 per cent. paid up; how invested. Securities; where deposited.

No part loaned to stockholders.

Remainder of stock.

Notes to be certified.

SEC. 3. Companies organized under the laws of this State upon the mutual plan, shall, before issuing any policies, have *bona fide* applications on at least two hundred and fifty individual lives for an average amount of one thousand dollars each, a list of which applications, giving the name, age, residence, amount of insurance, and annual premium of each applicant, shall be filed with the Auditor of State, and a deposit made with said Auditor of an amount equal to three-fifths of the whole annual premium on said applications, either in cash or the securities required by the foregoing section of this act, and on compliance with said provisions, the Auditor shall issue to said mutual company the certificate hereinafter prescribed.

Mutual companies;

to have applications on 250 lives.

List filed with Auditor. Deposit with Auditor.

SEC. 4. It shall not be lawful for any person to act within this State as agent, or otherwise, in receiving or procuring applications for insurance, or in any manner to aid in transacting the business of insurance referred to in the first section of this act, or for any company or association incorporated by, or organized under the

Foreign companies.

laws of any other State government, unless such company is possessed of the amount of actual capital required of companies in this State, and the same is invested in stocks or treasury notes of the United States, or of the State of Iowa, or of interest-paying bonds of the State in which said company is located, or where said deposits are made, or in bonds and mortgages on unencumbered real estate within the State where such company is located; but all mortgages deposited by any company under this section, shall be upon unencumbered real estate worth double the amount loaned thereon; which stocks and securities shall be deposited with the Auditor, Controller, or chief financial officer of the State by whose laws said company is incorporated, or some other State, and the Auditor of this State furnished with a certificate of such Auditor, Controller, or chief financial officer aforesaid, under his hand and official seal, that he, as such Auditor, Controller, or chief financial officer of such State, holds in trust and on deposit, for the benefit of all the policy-holders of such company, the security before mentioned, which certificate shall embrace the items of security so held, and that he is satisfied that such securities are worth one hundred thousand dollars; but nothing herein contained shall be construed to invalidate the agency of any company incorporated in another State, by reason of such company having from time to time exchanged the securities so deposited with the Auditor, Controller, or chief financial officer of the State in which such company is located for other stock or securities authorized by this act, or by reason of such company having drawn its interest and dividends from time to time for such stocks and securities.

SEC. 5. Such company shall also appoint an attorney or agent in each county in this State, in which the company has an agency, on whom process of law can be served, and such company shall file with the Auditor or of State a certified copy of the charter or articles of incorporation of said company, and also a certified copy of the certificate of appointment of such agent or agents, which appointment shall continue until another agent or attorney be substituted. And in case any such insurance corporation shall cease to transact business in this State according to the laws thereof, the agents last designated, or acting as such for such corporation, shall be deemed to continue agents for such corporation for the purpose of serving process for commencing actions upon any policy or liability issued or contracted while

Capital, re-
quired;
how invested.

Mortgages.

Securities--
where depos-
ited.

Financial
officer's cer-
tificate of in-
vestment, in
other States.

Kind of cer-
tificate.

Construed.

Have attor-
ney in each
county hav-
ing agency.
Certain cer-
tificates to be
filed with
Auditor.

Agency shall
continue for
legal pur-
poses.

such corporation transacted business in this State, and service of such process for the causes aforesaid, upon any such agent, shall be deemed a valid personal Service on service upon such corporation, and such company shall also file a statement of its condition and affairs in the office of the Auditor of State, in the same form and manner required for the annual statements of similar companies organized under the laws of this State.

SEC. 6. It shall not be lawful for any agent to act for any company referred to in the foregoing section, directly or indirectly, in taking risks, collecting premiums, or in any manner transacting the business of life insurance in this State without procuring from said Auditor a certificate of authority, stating that the foregoing requirements have been complied with, and setting forth the name of the attorney for such company, a certified copy of which certificate shall be filed in the county recorder's office of the county where the agency is to be established, and shall be the authority, of such company and agent to commence business in this State, and such company, or its agents or attorneys' shall, annually, in the month of January, or within thirty days thereafter, file with the Auditor of this State a statement of its affairs for the preceding year, in the same manner and form provided for similar companies in this State.

SEC. 7. It shall be the duty of the president or vice-president, and secretary or actuary, or a majority of the trustees or directors of each company organized under this act, or doing business in this State, annually on the first day of January, or within thirty days thereafter, to prepare under oath, and deposit in the office of the Auditor of State, a statement, showing —

FIRST — NAME AND CAPITAL.

- 1st. The name of the company, and where located.
- 2d. The names of the officers.
- 3d. The amount of capital stock.
- 4th. The amount of capital stock paid up.

SECOND — ASSETS.

- 1st. The value of the real estate owned by such company.
- 2d. The amount of cash on hand.
- 3d. The amount of cash deposited in bank, giving name of bank or banks.

- 4th. The amount of cash in the hands of agents, and in the course of transmission.
- bank stock; 5th. The amount of bank stocks, with the name of each bank, giving par and market value of the same.
- stocks and bonds; 6th. The amount of stocks and bonds of the United States, and all other bonds, giving names and amounts, with the par and market value of each kind.
- loans; 7th. The amount of loans secured by first mortgage on real estate.
- other bonds and loans; 8th. The amount of all other bonds and loans, and how secured, with the rate of interest.
- premium notes; 9th. The amount of premium notes on policies in force.
- notes for stock; 10th. The amount of notes given for unpaid stock, and how secured.
- assessments unpaid; 11th. The amount of assessments unpaid on stock or premium notes.
- interest; 12th. The amount of interest due and unpaid.
- securities. 13th. All other securities.

THIRD — LIABILITIES.

- Losses; 1st. The amount of losses due and unpaid.
- 2d. The amount of losses adjusted, but not due.
- 3d. The amount of losses unadjusted.
- 4th. The amount of claims for losses resisted.
- amount borrowed; 5th. The amount of money or evidences of investment borrowed.
- dividends unpaid; 6th. The amount of dividends unpaid.
- reinsurance; 7th. The amount required to safely reinsure all outstanding risks.
- other claims. 8th. All other claims against the company.

FOURTH — INCOME DURING THE YEAR.

- Premiums; 1st. The amount of net cash premiums received.
- premium notes; 2d. The amount of premium notes received.
- interest; 3d. The amount of interest received from all sources.
- other income. 4th. The amount received from all other sources.

FIFTH — EXPENDITURES DURING THE YEAR.

- Losses paid; 1st. The amount paid for losses.
- dividends; 2d. The amount of dividends paid to policy-holders, and amount to stockholders.
- agents; 3d. The amount of commissions and salaries paid to agents.

- 4th. The amount paid to officers for salaries and other perquisites. officers;
5th. The amount paid for taxes. taxes;
6th. The amount of all other payments and expenditures. other payments.

SIXTH — MISCELLANEOUS.

- 1st. The greatest amount insured on any one life. Maximum insurance;
2d. The amount deposited in other States or territories as security for policy-holders therein, stating the amount in each State or territory. deposits in other States, &c.;
3d. The amount of premiums received in this State during the year. premiums in State;
4th. The amount paid for losses in this State during the year. losses in State;
5th. The whole number of policies issued during the year, with the amount of insurance effected thereby, and total amount at risk. no. policies; amt. insurance; risk;
6th. All other items of information necessary to enable the Auditor to correctly estimate the cash value of policies, or to judge of the correctness of the valuation thereof. other information.

SEC. 8. The Auditor of State is hereby authorized to amend the form of annual statement, and to propose such additional inquiries as he may think necessary to elicit a full exhibit of the standing of companies doing business in the State. Auditor may amend form of statement.

SEC. 9. As soon as practicable after the filing of said statement of any company organized or doing business under the laws of this State, in the office of the Auditor of State, he shall proceed to ascertain the net cash value of each policy in force, upon the basis of the New York standard of valuation of life policies, it being Dr. Farr's English Life Table number three, for males, with interest at five per cent., or Actuary's Combined Experience Table of Mortality, with interest at four per cent.; but in case such valuation has been made in New York, or any other State, upon the basis above specified, a certificate of the Auditor, Controller, or chief financial officer of such State, shall be taken by the Auditor of this State as sufficient evidence of the valuation of such policies, and of the amount so required for such reinsurance. And for the purpose of making such valuations, when not already done as aforesaid, the Auditor may employ a competent actuary to do the same, who shall be paid by the company for which the service was rendered; but nothing herein shall prevent any company Auditor to ascertain valuation of policies. Certificate from other States accepted.

Co. allowed to value. from making said valuation herein contemplated, which shall be received by the Auditor upon such proof as he may determine. Upon ascertaining the net cash value of policies in force in any company organized under the laws of this State, or doing business in this State, and which has not made the deposit required in section four of this act, the Auditor shall notify said company of the amount, and within thirty days after the date of such notification, it shall be the duty of the officers of such

Auditor to notify company. company to deposit with the Auditor the amount of such ascertained valuation of all policies within this State in stocks of the United States or of this State, or any other State of this Union, or in bonds and mortgages on real estate within the limits of this State, or within the State where such company is located, of at least double the value loaned thereon: *Provided*, That no joint stock company organized under the laws of this State, or doing business therein, shall be required

Co. to make deposit. to make such deposit until the cash value of the policies in force, as ascertained by the Auditor, exceeds the amount deposited by said company under section two of this act: *And provided*, That foreign companies doing business in this State are not required to make a deposit in this State, provided such deposit has been made in the State where located, or in any other State, when they shall have complied with section four of this act.

Stock companies need not deposit in certain cases. of this act: *And provided*, That foreign companies doing business in this State are not required to make a deposit in this State, provided such deposit has been made in the State where located, or in any other State, when they shall have complied with section four of this act.

Foreign companies not required to deposit in certain cases.

SEC. 10. On receipt of the deposit and statement from any company as provided in the preceding sections, and the statement and evidences of investment according to law of foreign companies, which shall be renewed annually, the Auditor shall issue a certificate setting forth the corporate name of the company; its principal office or agency in the State; that it has fully complied with the laws of this State in relation to life insurance companies, and is authorized to transact the business of life insurance for twelve months from the date of such certificate, or until the expiration of the thirty days' notice given by the Auditor of the next annual valuation of its policies. The certificate shall

Annual certificate. be recorded in the recorder's office of the county in which such principal office is located, in a book prepared for that purpose. A copy of the certificate, certified by the Auditor, shall be, by the general agent of said company, furnished to each of its local and traveling agents, and said copy shall be their authority for soliciting applications for policies.

Certificate recorded.

Certificate for agents.

SEC. 11. Upon the failure of any company to

make the deposit, or file the *certificate* [statement] in the time as stated in this act, the Auditor shall notify the Attorney-General of the default, who shall at once apply to the Supreme or district Court, if in session, or if in vacation to any member thereof, for an order requiring said company to show cause why its business shall not be closed; and if upon the hearing the company shall fail to show sufficient cause for neglecting to make the deposit, or filing the certificate required by this act, then if said company was organized under the laws of this State, the court shall decree its dissolution, and if organized or chartered by the laws of any foreign State or country, shall enjoin said company perpetually from transacting business of any life insurance within this State.

Penalty for failure to make deposit or statement.

Home companies dissolved.

Foreign companies enjoined.

SEC. 12. The Auditor may at any time make a personal examination of the books, papers, and securities of any life insurance company doing business in this State, or may authorize and empower any other suitable person, to make such examination, and for the purpose of securing a full and true exhibit of its affairs, he, or the person selected by him to make such examination, shall have power to examine, under oath, any officer or agent of said company, or others if necessary, relative to its business and management. If upon such examination the Auditor is of opinion that the company is insolvent, or that its condition is such as to render its further proceedings hazardous to the public or to the holders of its policies, he shall communicate the facts to the Attorney-General, who shall at once apply to a judge of the Supreme or district Court to issue an injunction restraining such company from transacting further business (except the payment of losses already ascertained and due) until a full hearing can be had. It shall be discretionary with the judge either to issue the injunction forthwith, or to give notice to the company, and cause a hearing to be had as in ordinary proceedings for an injunction. Upon the final hearing of the cause, he may dissolve or modify the injunction, or make it perpetual, and if made perpetual, shall also decree what disposition shall be made of the deposit of the company in the hands of the Auditor, subject to the provisions of the following section: *Provided*, The certificate of the Auditor, Controller, or chief financial officer of any State having an insurance department, as to the solvency of any company doing business in this State, shall be taken by the Auditor of this State as evidence of such solvency.

Auditor may examine books.

If company is insolvent.

Injunction.

Certificate of solvency from officers of other States to be accepted.

Securities of
defaulting
companies.

SEC. 13. The securities of a defaulting or insolvent company, on deposit with the Auditor of State, shall vest in the State for the benefit of the policies on which such deposits were made, and the proceeds of the same shall, upon the order of the court, be divided among the holders of said policies in the proportions of the last annual valuation of the same, or applied to the purchase of reinsurance for the benefit of the policy-holders.

Change secu-
rities.

SEC. 14. Companies shall have the right at any time to change their securities on deposit by substituting for those withdrawn a like amount in other securities of the character provided for in this act, and whenever the annual valuation of policies outstanding and in force against any company, *in* [is] less than the amount of security then on deposit with the Auditor, said company shall have the right to withdraw such excess: *Provided*, \$25,000 shall remain on deposit.

Collect inter-
est.

SEC. 15. The Auditor shall permit companies, having on deposit with him stock or bonds as security, to collect the interest accruing on such deposits, delivering to their authorized agents respectively the coupons or other evidences of interest as the same become due, but upon default by any company to deposit additional security as called for by the Auditor, or pending any proceedings to close up or enjoin it, he shall collect the interest as it becomes due, and add the same to the securities in his hands belonging to such company.

Auditor's re-
port.

SEC. 16. At the earliest practicable date after the returns are received from the several insurance companies, the Auditor shall make a report to the General Assembly of the general conduct and condition of the corporations visited by him since his last annual report, and shall include therein an aggregate of the calculated value of all outstanding policies of life insurance, and in connection therewith shall prepare an abstract of all the returns and statements made to him by insurance companies and agents.

Penalty for
doing busi-
ness without
certificate.

SEC. 17. Any company doing business in this State without the certificate required by section ten of this act, shall forfeit one hundred dollars for every day's neglect to procure said certificate. Any agent making insurance, or soliciting applications for any company having no certificate from the Auditor, shall forfeit the sum of three hundred dollars, and any person acting for a company authorized to transact business in this State, without having a certified copy of the company's certificate, issued by the Auditor of State, in his

possession, shall be liable to pay twenty-five dollars for each day's neglect to procure such copy.

SEC. 18. A policy of insurance on the life of an individual, in the absence of an agreement or assignment to the contrary, shall inure to the separate use of the husband or wife and children of said individual, independently of his or her creditors; and an endowment policy, payable to the assured on attaining a certain age, shall be exempt from liability for any of his or her debts. Policy exempt from execution.

SEC. 19. The Auditor shall charge the following Auditor's fees: For filing each annual statement, including the first application of any company, the sum of five dollars. For each certificate of authority to do business under this act, one dollar. For annual valuation of policies, five cents on every thousand dollars insured on lives; and this fee shall cover all charges by the State for the safe-keeping of deposits made by the companies. For changing securities, by withdrawing one and substituting another, the sum of twenty-five cents for each thousand dollars or fractional part thereof. For making personal examinations of the books, papers, and officers of a company, the sum of five dollars a day for each day so employed, and actual traveling expenses. County recorders shall be permitted to charge the usual fees for recording the original certificate. Auditor's fees:
filing annual statement certificate valuation ;
changing securities;
examinations;
Recorder's fees.

SEC. 20. Whenever the existing or future laws of any other State of the United States shall require of insurance companies incorporated by or organized under the laws of this State, any payment of fines, penalties, certificate of authority or license-fees greater than the amounts required for such purposes from similar companies of other States by the existing laws of this State, then, and in every such case, all companies of such States establishing or having theretofore established an agency or agencies in this State shall be and are hereby required to pay to said Auditor for fines, penalties, certificate of authority, or license-fees, an amount equal to the amount of such charges and payments imposed upon or required by the laws of such State of the companies of this State or the agents thereof. Fees and penalties for foreign companies to be as great as required in their States of Iowa companies.

SEC. 21. The penalties provided for in this act shall be sued for and recovered, in the name of the State of Iowa, by the district-attorney in the district court of the county in which the company or agent violating shall be situated or reside. Three-fourths of said Penalty, how collected;

$\frac{1}{4}$ to school-fund. penalty, when recovered, shall be paid into the county treasury for the use of the school-fund, and one-fourth to the informer of such violation. In case of non-payment of the penalty, the individual offending shall be liable to imprisonment in the county jail for a period not exceeding three months.

Imprisonment.

Funds, how invested.

SEC. 22. It shall not be lawful for *and* [any] company organized under the provisions of this act to invest its funds in any other manner than in the stocks of the United States, of this State, or any other State of this Union if at or above par, in bonds and mortgages *or* [on] unencumbered real estate within this State, or the State in which such company is located, worth at least twice the amount loaned thereon, exclusive of improvements; and all stocks, bonds, or mortgages *ow*[n]ed or held by any company doing business under the provisions of this act, *w*[h]ether organized under the laws of this State or not, shall be equal or made to be equal to six per cent. stocks.

Securities to be equal to 6 per ct. stocks.

Real estate.

SEC. 23. No company organized under this act shall be permitted to purchase, hold, or convey real estate, except for the purpose[s] and in the manner herein set forth, to-wit: 1st. Such as shall be requisite for its immediate accommodation in the transaction of its business; or, 2d. Such as shall have been mortgaged to it in good faith by way of security for loans previously contracted, or for moneys due; or, 3d. Such as shall have been conveyed to it in satisfaction of debts previously contracted in the course of its dealings; or, 4th. Such as shall have been purchased at sales upon judgments, decrees, or mortgages obtained or made for such debts; and it shall not be lawful for any company, incorporated as aforesaid, to purchase, *hole* [hold] or convey real estate in any other case, or for any other purpose.

Real estate, when sold.

SEC. 24. All such real estate as may be acquired as aforesaid, and which shall [not], be necessary for the accommodation of such company in the convenient transaction of its business, shall be sold and disposed of within five year[s] after such company shall have acquired title to the same, and it shall not be lawful for such company to hold such real estate for a longer period than that above mentioned, unless the said company shall procure a certificate from the Auditor of State that the interests of the company will suffer materially by a forced sale of such real estate, in which event the time for the sale may be extended to such time as the said Auditor shall direct in said certificate.

Auditor may extend time.

SEC. 25. All companies organized under the laws of this State, and transacting a life insurance business, at the time of the taking effect of this act, shall within [t]wenty days thereafter comply with the provisions of section[s] two and three hereof in the same manner as companies hereafter organized. And a failure on the part of existing companies to comply with this provision shall subject them and their agents to the penalties named herein. Companies shall comply in 20 days.

SEC. 26. Life insurance companies organized under the laws of this State, whether on the stock or mutual plan, may be formed to endure for fifty years, and may be renewed from time to time for a period no greater than at first. Charter may run.

SEC. 27. All acts and parts of acts, relating to or affecting life insurance companies, are hereby repealed. Repeal.

Approved April 8, 1868.

CHAPTER 174.

CORRECTING ERROR IN DEED FROM STATE.

AN ACT Authorizing the Register of the State Land-Office to issue a new Deed for certain Lands, to James Bones, in Lieu of one issued to him January 29, 1851, in the name of James Bowen, and to correct certain Errors on the Books of his Office. APRIL 8.

WHEREAS, James Bones, of Mahaska county, Iowa, Preamble. did on the 31st day of December, 1850, purchase from the State of Iowa, the ne. qr. of the sw. qr. of section seven, township 74 n., of range 15 w., known as Des Moines River lands; and

WHEREAS, By a clerical error, the certificate of purchase was made out in the name of James Bowen, and afterwards, on the 29th January, 1851, a deed was executed in the same name; and

WHEREAS, The said James Bones is the real purchaser, and has occupied said land as owner thereof ever since said purchase: therefore

SECTION 1. *Be it enacted by the General Assembly of the State of Iowa,* That the Register of the State Land-Office be and he is hereby instructed to issue to James Bones a deed for the north-east qr. of the south-west qr. of section seven, in township seventy-four north, of range fifteen west, in lieu of one issued to him Register S. L. O. to deed to Jas. Bones ne 1/4 sw 1/4 S 7, tp. 74, r. 15; and to enter history on books of office.